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2002 • 16th District Session Report

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Dear friends,

In a year normally set aside for mid-stream adjustments in policy and spending, lawmakers will be grappling with enormous challenges during the 2002 legislative session. We will be looking for ways to stimulate our economy and put families back to work. We hope to address the critical needs of our state's transportation system. And we must bring our \$22.8 billion state operating budget back into balance.

The results of two special legislative elections in November have given Democrats control of both the House and Senate, along with the governor's office. That means one party will be largely responsible for controlling the movement of bills and chairing key committees. But it will be up to all lawmakers to work toward responsible, long-term solutions to the budget and other issues affecting the families in our state.

This newsletter outlines some of the key issues we'll be addressing, hopefully within the scheduled 60 days. If you have questions or thoughts, I hope you'll take the time to call or write. I look forward to hearing from you.

Sincerely,

Dave Mastin
State Representative



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Providing jobs for Washington families

During these tough economic times, it's as important as ever to make certain we have an economic climate that is prosperous and keeps people employed. While we have focused a great deal on tax reforms that make Washington a better place to do business, there are still improvements to be made in our regulatory climate, which is just as important to attracting jobs to our communities.

I will be supporting legislation to streamline permitting and provide better coordination between state agencies that regulate employers, so that people who provide jobs can have predictability, better cooperation and less regulatory costs when doing business in our state.

*Reps. Dave Mastin and Bill Grant represent
the 16th District in the state House of Representatives.*



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Balancing the budget

With the recession taking its toll on state revenues, we currently face a \$1.2 billion shortfall in the state operating budget. As we address this budget challenge, lawmakers must remember that Washington families are also facing challenges. The easy thing for lawmakers to do to balance the budget would be to simply raise taxes. But I don't think we should ask families to pay more when many are worried about their own income and dealing with the loss of jobs.

Governor's budget offers proposed cuts, tax increases

The first plan to correct the budget shortfall was offered by the governor last month. It calls for cuts to disabled citizens, nursing homes, and pharmacists who provide prescription drugs to low-income citizens on Medicaid. It would also raise taxes by \$100 million, while providing over \$60 million for state employee pay raises this year.

In my opinion, we should be looking for ways to become more efficient with the least amount of impact on front-line services for those in need. Another concern I have is that the governor's budget plan still spends over a billion dollars more than we'll collect in revenue this biennium. If we want to correct this problem, there's simply no substitute for living within our means.

Lawmakers will be working through this budget in the coming months, and I hope we take a more responsible approach that protects the truly needy and working families. The state should do what working families do when they fall on tough times – establish priorities, control spending and pay for essential needs.

State Budget Facts:

- This year the state will spend \$4.234 billion on salaries and wages for state employees (not including K-12 schools).
- The average salary for a full-time state employee is \$42,691.
- The state currently spends \$457 a month for health care benefits for each of the state's 99,300 full-time employees, as well as all state funded teachers and K-12 employees. The total cost of employee benefits is just over \$1 billion.
- The state will spend \$5,437 per K-12 pupil during the 2001-03 biennium.
- Washington state spends \$4,315 for each community college student and \$10,466 for each four-year university student.

Governor's Budget Proposal

An Overview

Total Revenues:	\$21.374 billion
Total Expenditures:	\$22.530 billion
Difference:	-\$1.156 billion

Ending fund balance:	\$0
Emergency Reserves balance:	\$303 million

Key Budget Cuts

- -\$35 million for nursing homes
- -\$54 million for higher education
- -\$34 million for Medicaid reimbursements for prescription drugs
- -\$31 million for state assistance for the disabled
- -\$14 million in block grants to K-12 schools

Tax Increases

- 3% liquor tax - \$4.7 million
- 10% gambling tax – \$73.7 million
- Use tax on shipping - \$20 million
- Hydraulic project fees - \$4.3 million
- Hunting and fishing license increase - \$1 million

I'd like to hear from you

Our district office will be temporarily closed during the 2002 legislative session, however you may contact us in Olympia with your questions and concerns regarding legislative matters. We will back in our district office after the conclusion of the legislative session.

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Improving transportation:

Keeping highways safe and people and products moving

The Legislature will go back to the drawing board this session to try to solve the state's transportation needs. Negotiations on a funding plan broke down over the summer, leaving some critical projects throughout the state without funding. Among the key sticking points is whether to send the funding plan to the ballot to give voters the final say.

The governor has resubmitted essentially the same plan rejected by lawmakers last year. His plan includes the following tax increases, and he insists that the plan be passed without seeking voter approval:

- 9-cent gas tax increase
- 12-cent increase on diesel
- Increased sales tax on car purchases
- Increased weight fees on trucks and RVs
- \$50 license registration fee

Many lawmakers are disappointed that the governor has come out with the same plan that was largely rejected by the Legislature just six months ago. In addition to the opposition to many of these tax increases, many

lawmakers, including me, want voters to have the final say. The Legislature can approve a referendum that would be placed before the voters as a statewide ballot measure.

The truth is this transportation funding plan will go to the voters whether the governor wants it to or not. A citizen group has already vowed to collect the needed signatures to place it on the ballot. Instead of looking for ways to cut voters out of the loop, we should be working in a collaborative manner to develop a bipartisan funding plan that citizens will support.

A key provision to the proposed transportation plan that many lawmakers support is a regional funding package that allows communities to raise local taxes that can be used for local transportation needs. This would help communities address issues specific to their area, such as the congestion that plagues the Puget Sound region.

